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OFFICE OF THE  
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January 30, 2012

*"Via Certified Mail and  
Regular Mail"*

MUR # 6528

Anthony Herman, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RE: In Re: Grimm

Dear Mr. Herman:

Enclosed please find one (1) Original and three (3) copies of the Complaint of Paul A. Duffy to be filed with the Federal Election Commission.

Should you have any questions, please feel free to contact the undersigned.

Very truly yours,

  
Manuel Ortega, Esq.

MO/cn  
Enc.

15044381417

BEFORE THE FEDERAL ELECTION COMMISSION

In re

MICHAEL GRIMM,

MICHAEL GRIMM FOR CONGRESS  
COMMITTEE, and

LISA LISKEŔ, as Treasurer,

Respondents.

COMPLAINT

MUR # 6528

2012 FEB -6 PM 2:32  
OFFICE OF GENERAL  
COUNSEL

RECEIVED  
FEDERAL ELECTION  
COMMISSION

Complainant, Paul A. Duffy, hereby submits this Complaint to the Federal Election Commission ("Commission") pursuant to 2 U.S.C. § 437g(a)(1) and, in support, avers as follows:

FACTS

1. Complainant, Paul A. Duffy, is an individual and registered voter who resides in Richmond County, in the State of New York. Complainant is legally entitled to information regarding the financing of federal campaigns under the Federal Election Campaign Act, as amended, 2 U.S.C. § 431 et seq. ("the Act"). Complainant has relied and will rely in the future on such information when, inter alia, making voting decisions and engaging in political advocacy.

2. Respondent Michael Grimm ("Grimm") is a member of the United States House of Representatives from the 13th district of New York. He is a former special agent of the Federal Bureau of Investigation. Respondent Michael Grimm for Congress is his principal campaign committee, and Respondent Lisa Lisker is its treasurer. Hereinafter,

Grimm, Michael Grimm for Congress, and Lisa Lisker shall be referred to collectively as "Respondents."

3. Yoshiyahu Yosef Pinto ("Pinto") is an Israeli Orthodox rabbi who lives in New York City and leads a global ministry, Mosdot Shuva Israel, with a large following in the 13th district of New York.

4. Ofer Biton ("Biton") is one of Pinto's top aides. He is an Israeli citizen and, on information and belief, a foreign national within the meaning of 2 U.S.C. § 441e. Biton is currently under investigation by the Federal Bureau of Investigation over allegations that he misappropriated funds from Mosdot Shuva Israel.

5. During the 2010 election cycle, while a first-time candidate for the United States House of Representatives, Grimm perceived the need to convince national party leaders of his ability to raise enough money for a viable campaign. For that reason, he aggressively sought contributions and support from members of the Mosdot Shuva Israel congregation, which had a large presence in his district.<sup>1</sup>

6. In order to develop a closer relationship with the Mosdot Shuva Israel congregation, Grimm approached Biton and asked that he assist his fundraising efforts.

7. According to followers of the rabbi who were contacted by the New York Times, Biton agreed to do so, with the hope that, if elected, Grimm would provide him with special assistance in obtaining a green card.

8. In order to assist Grimm, Biton routinely traveled with Grimm and provided introductions with potential donors from the Mosdot Shuva Israel congregation. According

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<sup>1</sup> Alison Leigh Cowan and William K. Rashbaum, Rabbi's Followers Cast Doubts on Congressman's Fundraising, N.Y. TIMES, January 27, 2012. A copy of the article is attached to this Complaint.

to Yossi Zaga, a follower of the rabbi who was contacted by the Times, the two men were "together all the time during the campaign."<sup>2</sup>

9. Biton, an Israeli citizen, solicited and bundled contributions for Grimm in violation of 2 U.S.C. § 441e(a)(2). Grimm did not disclose Biton's role in providing these services on his Federal Election Commission reports.

10. Biton and Grimm knowingly and willfully solicited and accepted contributions from members of the Mosdot Shuva Israel congregation that violated the Federal Election Campaign Act ("the Act"). These contributions violated the Act because, in some cases, they were well in excess of the contribution limit of \$2,400 per election; they were in cash in an amount exceeding \$100; and they were knowingly solicited and received from foreign nationals.

11. To hide this illegal behavior, Respondents reported contributions under the name of "straw donors" who were not involved in the making of the contributions. Three followers of the rabbi separately told the New York Times that Grimm or Biton told them that the campaign would find a way to accept contributions that exceeded the limit, were given in cash, or were given by foreign nationals.

12. In one instance, Grimm repeatedly pressured a member of the Mosdot Shuva Israel congregation to contribute \$20,000 to his campaign. In response to this solicitation, the member – by his own account to the Times – gave Grimm an envelope with \$5,000 in cash, in a summer 2010 meeting near the FBI building in Lower Manhattan.

13. After receiving the \$5,000 cash contribution, Grimm repeatedly pressured the same donor to provide an additional \$10,000. The donor told the Times: "Every day, he used to call me, over and over. "

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<sup>2</sup> *Id.*

14. On information and belief, Respondents failed to properly report the \$5,000 contribution to the Federal Election Commission.

15. In another instance, a foreign national within the meaning of 2 U.S.C. § 441e made an illegal contribution of \$25,000 to Grimm's campaign. He transferred this amount to another member of the congregation, who – by the member's own account to the Times – transferred it to Biton, who transferred it to Grimm. "I give the checks to Ofer, and he gives them to Michael, " the member said.

16. Respondents failed to properly report the contribution as earmarked through two conduits under 11 C.F.R. § 110.6(c)(2).

17. The congregation member referenced in Paragraph 15 told the Times that Respondents reported the single \$25,000 contribution as coming from at least five other people.

18. In yet another instance, Grimm traveled to the office of a member of the Mosdot Shuva Israel congregation to collect a contribution. After receiving that contribution, Grimm told the donor that there were ways of working around the campaign rules. As the donor told the Times: "Let's say someone is not legal to give because he is not American. Grimm wants this guy, Joe A, to give the money to Joe B so Joe B can make the contribution to the campaign. "

#### APPLICABLE LAW

19. The Act provides that "[a]ny person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution, donation, or expenditure (i) aggregating \$25,000 or more during a calendar year shall be fined under title 18, United States Code, or imprisoned for not more than 5 years, or both; or (ii) aggregating \$2,000 or more (but less than \$25,000) during a calendar year shall be fined under such title, or imprisoned for not more than one year, or both." 2 U.S.C. § 437g(d)(1)(A)(i)–(ii).

20. The Act provides that, inter alia, "no person shall knowingly accept a contribution made by one person in the name of another person." § 441f. It provides further for heightened penalties for knowing and willful violations of this prohibition. § 437g(d)(1)(D).

21. The Act provides that "[n]o person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$2,000," as adjusted for inflation, 2 U.S.C. § 441a(a)(1)(A), and that "[n]o candidate or political committee shall knowingly accept any contribution . . . in violation of this section," § 441a(a)(1)(A). In 2010, the contribution limits, as adjusted by the Federal Election Commission, were \$2,400 per election.

22. The Act provides that "[i]t shall be unlawful for a foreign national, directly or indirectly, to make a contribution or donation of money or other thing of value, or to make an express or implied promise to make a contribution or donation in connection with a Federal . . . election," 2 U.S.C. § 441e(a)(1)(A), and that no person shall solicit, accept or receive such a contribution. § 441e(a)(2).

23. The Act provides that "[n]o person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign . . . for election to Federal office," § 441g.

24. The Act provides that no candidate, agent of a candidate, or entity established, financed, maintained or controlled by a candidate may solicit, receive, direct, transfer or spend funds in connection with a federal election that are not subject to the Act's limitations, prohibitions or reporting requirements. § 441i(e)(1)(A).

25. Commission regulations provide that, upon receipt of a contribution through a conduit, the recipient committee shall report "the identification of the conduit or intermediary." 11 C.F.R. § 110.6(c)(2).

**COUNT ONE**  
**[Contributions in the Name of Another]**

26. Complainant realleges and incorporates by reference paragraphs 1 through 25, above.

27. As set forth above, Respondents knowingly and willfully solicited and accepted contributions from members of the Mosdot Shuva Israel congregation that they then reported to the Federal Election Commission in the names of other "straw donors."

**COUNT TWO**  
**[Excessive Contributions]**

28. Complainant realleges and incorporates by reference paragraphs 1 through 27, above.

29. As set forth above, Respondents knowingly and willfully solicited and accepted contributions from members of the Mosdot Shuva Israel congregation in excess of the Act's contribution limitations.

**COUNT TWO**  
**[Prohibited Sources]**

30. Complainant realleges and incorporates by reference paragraphs 1 through 29, above.

31. As set forth above, Respondents knowingly and willfully solicited and accepted contributions from members of the Mosdot Shuva Israel congregation who were foreign nationals.

**COUNT THREE**  
**[Illegal Cash Contributions]**

32. Complainant realleges and incorporates by reference paragraphs 1 through 31, above.

33. As set forth above, Respondents knowingly and willfully solicited and accepted contributions from members of the Mosdot Shuva Israel congregation that were made in cash and that exceeded \$100.

**COUNT FOUR**  
**[Conduit Contributions]**

34. Complainant realleges and incorporates by reference paragraphs 1 through 33, above.

35. As set forth above, Biton—along with other members of the Mosdot Shuva Israel congregation—solicited and bundled contributions for Respondents and then delivered these contributions to Respondents. Respondents knowingly and willfully failed to report these contributions as made through a conduit in violation of 11 C.F.R. § 110.6(c)(2).

**COUNT FIVE**  
**[Solicitation and Receipt of Soft Money]**

36. Complainant realleges and incorporates by reference paragraphs 1 through 35, above.

37. As set forth above, Respondents, including Grimm and his principal campaign committee, Michael Grimm for Congress, knowingly and willfully solicited, received, directed, transferred and spent funds that violated the source restrictions, contribution limits and reporting requirements of the Act.

**PRAYER FOR RELIEF**

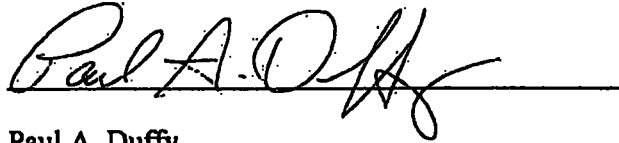
WHEREFORE, Complainant respectfully requests that the Commission:

- A. Find reason to believe and probable cause to believe that Respondents violated the Act.
- B. Refer these allegations, as appropriate, for criminal prosecution.



C. Take such other and further action as the Commission deems just and reasonable, or as the law may require.

Respectfully submitted,



Paul A. Duffy

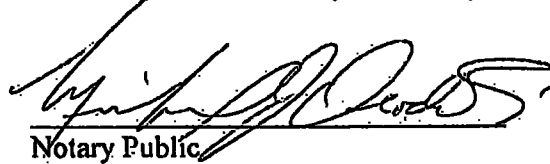
4 Collfield Avenue – Apt. 2

Staten Island, New York 10302

STATE OF NEW YORK )

COUNTY OF RICHMOND )

SUBSCRIBED AND SWORN to before me this 30th day of January, 2012.

  
Notary Public

My Commission Expires:

MICHAEL J. DEODATI  
Notary Public, State of New York  
No. 02DE4784150  
Qualified in Richmond County  
Commission Expires June 30, 2015

Ex. 1

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**The New York Times**

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January 27, 2012

## Rabbi's Followers Cast Doubts on Congressman's Fund-Raising

By ALISON LEIGH COWAN and WILLIAM K. RASHBAUM

Soon after he began running for Congress in 2009, Michael G. Grimm, a Staten Island Republican, needed to convince party leaders in Washington that he could raise enough money to become a viable candidate. Seeking help, he turned to an unlikely source: followers of an Orthodox rabbi and mystic from Israel.

Mr. Grimm, a former agent for the Federal Bureau of Investigation and a Roman Catholic who regularly attends Sunday Mass, traveled around the New York region with one of the rabbi's top aides, Ofer Biton, to raise campaign money from the rabbi's followers. In all, the Grimm campaign collected more than \$500,000 from the followers, according to numerous interviews and an analysis of Mr. Grimm's campaign records.

That money — more than half of the total that Mr. Grimm raised from individuals — proved instrumental in his upset of the Democratic incumbent in November 2010. Since then, Mr. Grimm has established a profile as a rising Republican star.

But now, Mr. Biton, an Israeli citizen, is being investigated by the F.B.I. and federal prosecutors in Brooklyn over accusations that he embezzled millions of dollars from the rabbi's congregation. And an examination by The New York Times has highlighted Mr. Biton's unusual role in the Grimm campaign — as well as questionable donations that the rabbi's followers said Mr. Grimm had accepted.

The examination of Mr. Grimm's fund-raising was based on more than 15 interviews with followers and associates of the rabbi, Yoshiyahu Yosef Pinto, who divides his time between Israel and Manhattan, where he has a large congregation.

Mr. Grimm would not respond to questions about Mr. Biton and his campaign finances beyond issuing a general statement.

"Any suggestion that I was involved in any activities that may run afoul of the campaign finance laws is categorically false and belied by my life of public service protecting and enforcing the laws of this country," Mr. Grimm said in the statement on Friday.

In interviews, followers of the rabbi spoke repeatedly about the close ties between Mr. Grimm and Mr. Biton.

"Grimm and Biton were together all the time during the campaign," said one of the followers, Yossi Zaga, a real estate investor who donated \$4,800, the legal limit, to Mr. Grimm at Mr. Biton's urging. "They would drive around together to the homes and offices and ask for contributions."

Three of the rabbi's followers said in separate interviews that Mr. Grimm or Mr. Biton told them that the campaign would find a way to accept donations that were over the legal limit, were given in cash or were given by foreigners without green cards.

Congressional campaigns are not allowed to accept cash donations of more than \$100. Foreigners without green cards are barred by law from giving to political campaigns. They are also not allowed to solicit contributions for campaigns.

One follower of the rabbi said in an interview that Mr. Grimm pressed him for \$20,000. The follower said Mr. Grimm instructed him to meet him "near the F.B.I. building," in Lower Manhattan, in summer 2010 to give the money. The follower said he handed over \$5,000 in cash in an envelope to Mr. Grimm in Mr. Grimm's car.

Within a week, the follower said, he gave Mr. Grimm a \$5,000 check from a friend. Mr. Grimm then repeatedly called the follower and demanded another \$10,000, the follower said.

"Every day, he used to call me, over and over," the follower said.

The follower said he ignored the calls and did not give again.

A second follower recalled that Mr. Grimm came to his office in Manhattan to solicit a legal contribution. As he was handing over the check, the second follower said, Mr. Grimm confided in him that there were ways of working around the campaign rules.

"Grimm wanted you to supply the money, and if someone wants to give and cannot give, you have to find a friend to give it through," the second follower recalled. "Let's say someone is not legal to give because he's not American. Grimm wants this guy, Joe A, to give the money to Joe B so Joe B can make the contribution to the campaign."

A third follower said he picked up, at Mr. Biton's behest, \$25,000 for Mr. Grimm's campaign from a single Israeli.

"I give the checks to Ofer, and he gives them to Michael," the third follower said.

The third follower said the money donated by the Israeli was falsely listed in Mr. Grimm's campaign disclosure records as having been given by at least five other people. The practice referred to — creating so-called straw donors — is illegal.

The rabbi's followers who described what they said was questionable fund-raising by Mr. Grimm spoke only on the condition of anonymity, saying they did not want to become ensnared in the federal embezzlement inquiry into Mr. Biton.

Spokesmen for the United States attorney's office in Brooklyn and the F.B.I. would not respond to questions about Mr. Biton.

The Times contacted Mr. Grimm's office on Monday and supplied a list of questions about his fund-raising and Mr. Biton.

On Thursday, Mr. Grimm responded with an e-mail from his personal account.

"At first, I thought it was a joke because the allegations are so absurd and ridiculous," Mr. Grimm wrote. "But let me be very clear, the information you received is completely false and I know is unsubstantiated, thus completely unfit to print."

Mr. Grimm wrote that he would readily consent to be interviewed for this article. But he did not respond to further queries, and on Friday, he issued the official statement through his lawyer, reiterating that he had never violated campaign rules.

The donors interviewed by The Times said they gave money to the Grimm campaign because Mr. Biton told them that Rabbi Pinto wanted people in his congregation to do so.

The rabbi's followers said Mr. Biton rounded up campaign money for Mr. Grimm in hopes that if Mr. Grimm won, he would help Mr. Biton obtain a green card.

It could not be determined whether Mr. Grimm did anything to help Mr. Biton with the immigration authorities.

Rabbi Pinto's spokesman said the rabbi had met with Mr. Grimm but had not been aware at the time that Mr. Biton was raising money so aggressively for Mr. Grimm.

In a statement, Mr. Biton's lawyer, Jeffrey A. Udell, denied that Mr. Biton had ever raised money for Mr. Grimm.

"You asked, Did he pick up checks for Grimm's campaign, and the answer is categorically no," Mr. Udell said.

Mr. Biton has denied allegations by the rabbi's followers that he embezzled millions of dollars from the rabbi's congregation, the focus of the federal inquiry.

Rabbi Pinto has built a thriving congregation since he established a branch of his movement in New York City in 2002, attracting many prominent worshipers. Some celebrities, like the basketball star LeBron James, who is not Jewish, have gone to see him.

Representative Anthony D. Weiner, a New York Democrat, met with the rabbi before he resigned from Congress. Representative Eric Cantor of Virginia, the House majority leader, also met with him. Both men are Jewish.

A small number of the rabbi's followers donated to the campaigns of Mr. Weiner and Mr. Cantor. But no politician has relied as extensively for campaign money upon the followers as Mr. Grimm, according to campaign finance records.

The vast majority of the followers who donated to Mr. Grimm's 2010 campaign had never before given to a federal candidate, according to campaign records, and did not live in Mr. Grimm's district, which includes Staten Island and part of Brooklyn.

It is not clear how Mr. Grimm met Mr. Biton, but the two men and a New York public relations executive named Ronn Torossian have often spent time together since Mr. Grimm embarked on his dark horse Congressional campaign.

"Lunch with Congressman Michael Grimm," Mr. Torossian wrote on his Twitter account in October 2011. "He always leaves me inspired with hope in government."

Mr. Torossian is also a subject of the federal inquiry into the embezzlement of money from the rabbi's congregation.

Mr. Torossian's lawyer, Gerald L. Shargel, said his client supported Mr. Grimm and gave money to his campaign but played "absolutely no role" in efforts to raise money from the rabbi's followers.

"He absolutely denies any wrongdoing," Mr. Shargel said, "and sees himself as a victim in this case."

Mr. Grimm has received very few donations from Rabbi Pinto's followers for his 2012 re-election campaign, the records show. The followers interviewed said they did not want to donate to the Grimm campaign after federal prosecutors began investigating the embezzlement accusations against Mr. Biton.

*Alain Delaqu  rie and Griff Palmer contributed reporting.*